

**Housing Authority of the City
of Jennings
Jennings, Louisiana**

**Annual Financial Report
As of and for the Year Ended March 31, 2011**

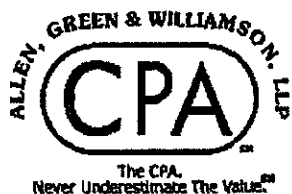
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date _____

SEP 28 2011

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Jennings
Jennings, Louisiana

We have audited the accompanying financial statements of the Housing Authority of the City of Jennings, Jennings, Louisiana, as of and for the year ended March 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of March 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 26, 2011, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information listed in the table of contents, which includes the Financial Data Schedule required by U.S. Department of Housing and Urban Development, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Also, the schedule of expenditures of federal awards, which is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 26, 2011

**REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
MARCH 31, 2011**

**Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011**

The management of Public Housing Authority of Jennings, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending March 31, 2011. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- ☐ The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- ☐ The Housing Authority's assets exceeded its liabilities by \$3,646,009 at the close of the fiscal year ended 2010.
 - ☐ Of this amount \$3,124,955 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
 - ☐ The remainder of \$521,054 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 44% of the total operating expenses of \$1,183,215 for the fiscal year 2011, which means the Authority might be able to operate about 5 months using the unrestricted assets alone, which compares less favorably with the 7 months in the prior fiscal year.
- ☐ The Housing Authority's total net assets increased by \$340,267, a 10% change from the prior fiscal year 2010. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- ☐ The increase in net assets of these funds was accompanied by a decrease in unrestricted cash by \$141,346 from fiscal year 2010, primarily due to spending \$74,383 more for operations than Federal funds received for operations; spending \$20,808 more for capital assets than Federal capital grants received.
- ☐ The Authority spent \$46,505 on capital asset additions and \$739,788 on construction in progress during the current fiscal year.
- ☐ These changes led to an increase in total assets by \$387,738 and an increase in total liabilities by \$44,741. As related measure of financial health, there are still over \$3.57 of current assets covering each dollar of total current and long-term liabilities, which compares less favorably with \$5.04 covering the prior fiscal year's liabilities.
- ☐ The Housing Authority continues to operate without the need for debt borrowing.

**Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2011?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Public Housing Capital Fund Program
- Resident Opportunity & Supportive Services
- Public Housing Capital Fund Program-Stimulus

Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$ 3,646,009 as of March 31, 2011. Of this amount, \$ 3,214,955 was invested in capital assets, and the remaining \$ 521,054 was unrestricted. No other specific assets are restricted. Also, there are no other restrictions on general net assets.

CONDENSED FINANCIAL STATEMENTS

Condensed Balance Sheet
(Excluding Interfund Transfers)
As of March 31

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets	\$ 723,839	\$ 783,708
Capital assets, net of depreciation	<u>3,124,955</u>	<u>2,677,348</u>
Total assets	<u><u>3,848,794</u></u>	<u><u>3,461,056</u></u>
LIABILITIES		
Current liabilities	186,494	92,297
Non-current liabilities	<u>16,291</u>	<u>63,017</u>
Total liabilities	<u>202,785</u>	<u>155,314</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,124,955	2,677,348
Unrestricted net assets	<u>521,054</u>	<u>628,394</u>
Total net assets	<u>3,646,009</u>	<u>3,305,742</u>
Total liabilities and net assets	<u><u>\$ 3,848,794</u></u>	<u><u>\$ 3,461,056</u></u>

Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds increased by \$340,267, or by 10%, from those of fiscal year 2010, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
(Excluding Interfund Transfers)
Fiscal Year Ended March 31

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 374,931	\$ 382,292
Governmental operating grants	349,384	397,771
Other revenue	<u>37,716</u>	<u>90,218</u>
Total operating revenues	<u>762,031</u>	<u>870,281</u>
OPERATING EXPENSES		
Administration	246,135	247,572
Tenant services	134,252	114,958
Utilities	28,663	26,374
Maintenance and repairs	314,396	247,809
General expenses	131,246	166,603
Depreciation	<u>328,523</u>	<u>305,516</u>
Total operating expenses	<u>1,183,215</u>	<u>1,108,832</u>
(Losses) from operations	<u>(421,184)</u>	<u>(238,551)</u>
NON-OPERATING REVENUES AND EXPENSES		
Interest income	3,743	7,600
Gain (loss) on sale of fixed asset	<u>2,385</u>	<u>5,651</u>
Total Non-Operating Revenues	<u>6,128</u>	<u>13,251</u>
CHANGE IN NET ASSETS BEFORE CAPITAL CONTRIBUTIONS	<u>(415,056)</u>	<u>(225,300)</u>
Capital Contributions	<u>755,323</u>	<u>537,284</u>
NET INCREASES IN NET ASSETS	340,267	311,984
NET ASSETS, beginning of year	<u>\$ 3,305,742</u>	<u>\$ 2,993,758</u>
NET ASSETS, end of fiscal year	<u>\$ 3,646,009</u>	<u>\$ 3,305,742</u>

**Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011**

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating, and non-operating revenues and capital contributions increased by \$102,666, or by 7%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- ☐ Federal revenues from HUD for operations decreased by \$48,387, or by 12%, from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, as well as other factors, and then uses this final result as a basis for determining the grant amount.
- ☐ Federal Capital Contributions from HUD increased by \$218,039, or by 41%, from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2009 through 2010 and submitted a new grant during the current fiscal year.
- ☐ Total other operating revenue decreased \$52,502 or by 58% because the Authority received proceeds from insurance dividends which were recorded as other income by the Authority in the year received.
- ☐ Total non-operating revenue decreased by \$7,123, or by 54%, from that of the prior fiscal year. Included in this is interest income, which decreased by \$3,857, or by 51%, from that of the prior fiscal year due to declining interest rates from economic instability.
- ☐ Total tenant revenue decreased by \$7,361 or by 2%, from that of the prior fiscal year due to the amount of rent each tenant pays which is based on a sliding scale of their personal income. Some tenants' personal incomes decreased, so rent revenue from these tenants decreased accordingly, lowering the overall total.

Compared with the prior fiscal year, total operating expenses increased \$74,383, or by 7%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- ☐ Depreciation expense increased by \$23,007, or by 8%, from that of the prior fiscal year, because there was an increase in depreciable capital assets by \$590,277 net of current year deletions.
- ☐ Maintenance and repairs increased by \$66,587, or by 27%, from that of the prior fiscal year due to several factors: Repair staff wages increased by \$2,910, or by 3%, and related employee benefit contributions increased by \$9,401, or by 25%. In addition, nonroutine maintenance increased by \$40,147 from that of the prior fiscal year.
- ☐ General Expenses decreased by \$35,356, or by 21%, from that of the prior fiscal year. Insurance premiums increased by \$10,607, or by 16% (since property and casualty insurance premiums increased), whereas compensated absences decreased by \$44,655, or by 72% due to change in the Executive Director's contract including all of annual leave earned rather than capping at 300 hours.

**Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011**

- Tenant Services increased by \$19,294, or by 17%, from that of the prior fiscal year due to a combination of factors: staff salaries increased by \$1,827, and related employee benefit contributions increased by \$5,804. Also, other tenant services increased by \$11,663, or by 19%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2011, the Housing Authority had a total cost of \$9,587,982 invested in a broad range of assets and construction in progress from projects funded in 2009 through 2010, listed below. This amount, not including depreciation, represents increases of \$748,757 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
As of March 31**

	<u>2011</u>	<u>2010</u>
Land	\$ 130,578	\$ 130,578
Construction in progress	492,831	334,351
Buildings and improvements	2,439,972	2,162,155
Furniture and equipment	61,574	50,264
Total	<u>\$ 3,124,955</u>	<u>\$ 2,677,348</u>

As of the end of the 2011 fiscal year, the Authority is still in the process of completing HUD grants of \$761,985 obtained during 2009 through 2010 fiscal years. A total remainder of \$248,824 will be received and spent for completing these projects during fiscal year 2012.

Debt

Non-current liabilities also include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2012 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

**Housing Authority of the City of Jennings
Management's Discussion and Analysis (MD&A)
March 31, 2011**

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Brenda Buller, at the Housing Authority of the City of Jennings, Louisiana; P.O. Box 921; Jennings, LA 70546.

HOUSING AUTHORITY OF THE CITY OF JENNINGS

ENTERPRISE FUND

Balance Sheet

March 31, 2011

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$ 85,128
Investments	475,454
Accounts receivable (net)	77,967
Prepaid items and other assets	55,164
Inventory	2,926

Restricted Assets

Tenant deposits	<u>27,200</u>
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Total Current Assets	<u>723,839</u>
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Capital Assets

Land, buildings, and equipment (net)	<u>3,124,955</u>
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TOTAL ASSETS	<u><u>\$ 3,848,794</u></u>
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(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF JENNING

ENTERPRISE FUND

Balance Sheet

March 31, 2011

Statement A

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 69,337
Compensated absences payable	59,938
Intergovernmental payable	8,689
Deferred credits and other liabilities	21,332

Current Liabilities Payable From Current Restricted Assets

Deposits due others	<u>27,200</u>
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Total Current Liabilities 186,494

Noncurrent Liabilities

Compensated absences payable	<u>16,291</u>
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Total Liabilities 202,785

NET ASSETS

Invested in capital assets, net of related debt	3,124,955
Unrestricted	<u>521,054</u>

NET ASSETS 3,646,009

TOTAL LIABILITIES AND NET ASSETS \$ 3,848,794

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF JENNINGS

ENTERPRISE FUND
Statement of Revenues, Expenses,
and Changes in Net Assets
For the Year Ended March 31, 2011

Statement B

OPERATING REVENUES

Dwelling rental	\$ 374,931
Governmental operating grants	349,384
Other	<u>37,716</u>

Total operating revenues	<u>762,031</u>
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OPERATING EXPENSES

Administration	246,135
Tenant services	134,252
Utilities	28,663
Maintenance & repairs	314,396
General expenses	131,246
Depreciation	<u>328,523</u>

Total operating expenses	<u>1,183,215</u>
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Operating Income (loss)	<u>(421,184)</u>
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NONOPERATING REVENUES (EXPENSES)

Interest earnings	3,743
Gain (loss) on sale of fixed assets	<u>2,385</u>

Total nonoperating revenues (expenses)	<u>6,128</u>
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Capital contributions	<u>755,323</u>
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Change in Net Assets	340,267
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NET ASSETS AT BEGINNING OF YEAR	<u>3,305,742</u>
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NET ASSETS AT END OF YEAR	<u>\$ 3,646,009</u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF JENNINGS

**ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended March 31, 2011**

	Statement C
	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 395,988
Other receipts	39,042
Federal grants	322,207
Payments to vendors	(623,952)
Payments to employees	(255,113)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(121,828)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Sale of fixed assets	2,385
Capital contributions	755,323
Purchase fixed assets	(776,131)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(18,423)
CASH FLOW FROM INVESTING ACTIVITIES:	
Interest and dividends	3,743
Purchase investments	(3,945)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(202)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(140,453)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	252,781
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 112,328
RECONCILIATION TO BALANCE SHEET	
Cash and cash equivalents	85,128
Tenant deposits	27,200
TOTAL CASH AND CASH EQUIVALENTS	\$ 112,328

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF JENNINGS

ENTERPRISE FUND
Statement of Cash Flows
For the Year Ended March 31, 2011

Statement C

TOTAL

RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH PROVIDED (USED)
BY OPERATING ACTIVITIES

Operating income (loss) \$ (421,184)

Adjustments to reconcile operating income
to net cash provided (used) by operating
activities:

Depreciation expense 328,523

Change in assets and liabilities:

(Increase) decrease receivables, net (28,747)

(Increase) decrease prepaid items (50,300)

(Increase) decrease inventories 409

Increase (decrease) accounts payable 22,104

Increase (decrease) compensated absences 3,652

Increase (decrease) due to other governments (238)

Increase (decrease) deferred credits 21,060

Increase (decrease) deposits due others 893

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ (121,828)

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the City of Jennings

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Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Housing Authority of the City of Jennings have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Jennings, serve a staggered term of four years.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority had 166 units in management at projects LA 118-1/2.

<u>Program</u>	<u>Contract Number</u>	<u>Number of Units</u>
PHA Owned Housing	FW -2028	166

B. REPORTING ENTITY GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the City of Jennings since the City of Jennings appoints a voting majority of the Housing Authority's governing board. The City of Jennings is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Jennings. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Jennings.

The Housing Authority includes all funds, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the housing authorities, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

C. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and providing goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent, maintenance charges to residents and operating subsidy. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Housing Authority first applies restricted resources when an expense is incurred for which restricted or unrestricted resources could be used.

D. BUDGETS

General Budget Policies The following summarizes the budget activities of the Housing Authority during the year ended March 31, 2011:

The Housing Authority adopted budgets for all HUD-funded programs. The budget is controlled by fund at the function level. All appropriations lapse at year end.

The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function.

E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at the lower of market or cost.

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

F. INVESTMENTS Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

G. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the purchase method. At year end the amount of inventory is recorded for external financial reporting which includes an allowance of \$154 for obsolete inventory. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of prepaid insurance.

H. CAPITAL ASSETS Capital assets, valued at \$2,000 or above except for ranges and refrigerators, are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and fixtures	5 to 7 years
Computers	3 years

In 2011, the Housing Authority implemented GASB 51, Accounting and Financial Reporting for Intangible Assets. The Housing Authority did not have to restate prior year reports since intangibles have always been capitalized by the Housing Authority.

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

I. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Louisiana House Bill No. 54, effective June 2008, allowed Housing Authorities to enter into an employment contract with the Executive Director to set the compensation of the Executive Director and other such terms. The Housing Authority of the City of Jennings signed an employment contract with the Executive Director in July 2009 which allows the Director's annual leave payment upon retirement to not be limited to the three hundred hour requirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

J. FUND EQUITY Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

K. DEFERRED REVENUES The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

L. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS At March 31, 2011, the Housing Authority has cash, cash equivalents, and investments as follows:

Cash on hand	\$ 100
Interest-bearing demand deposits	200,538
Time deposits	<u>387,144</u>
Total	<u><u>\$ 587,782</u></u>
Cash and cash equivalents	\$ 85,128
Cash and cash equivalents - restricted	27,200
Investments	<u>475,454</u>
Total	<u><u>\$ 587,782</u></u>

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: The Housing Authority's investments are in Certificates of Deposits, which do not have credit ratings; however, the Housing Authority's policy does not address credit rate risk.

Custodial Credit Risk: At March 31, 2011, the Housing Authority's carrying amount of deposits was \$587,682 and the bank balance was \$592,237, which includes \$387,144 in certificates of deposits classified as investments. Of the bank balance, \$226,207 was exposed to custodial credit risk because it was uninsured and

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

NOTE 3 - RECEIVABLES The receivables at March 31, 2011, are as follows:

<u>Class of Receivables</u>	
Tenant A/R	\$ 4
Interest	1,367
Other (HUD)	76,596
Total	<u>\$ 77,967</u>

The Housing Authority has \$213 recorded as an allowance for doubtful accounts for tenant accounts receivable.

NOTE 4 - CAPITAL ASSETS The changes in capital assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets:				
Land and buildings	\$ 130,578	\$ -	\$ -	\$ 130,578
Construction in progress	334,351	492,831	334,351	492,831
Total	464,929	492,831	334,351	623,409
Depreciable assets:				
Buildings & site improvements	8,120,575	583,807	-	8,704,382
Furniture and equipment	253,721	33,844	27,374	260,191
Total	8,374,296	617,651	27,374	8,964,573
Less: accumulated depreciation				
Buildings & site improvements	5,958,420	305,990	-	6,264,410
Furniture and equipment	203,457	22,534	27,374	198,617
Total	6,161,877	328,524	27,374	6,463,027
Capital assets, net	<u>\$ 2,677,348</u>	<u>\$ 781,958</u>	<u>\$ 334,351</u>	<u>\$ 3,124,955</u>

NOTE 5 - RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan 90 days from the first date of employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5.5% of his effective compensation, and may make additional contributions up to 10% of his effective compensation. The employer is required to make monthly contributions equal to 7.5% of each participant's effective compensation.

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority's total payroll for year ended March 31, 2011, was \$297,635. The Housing Authority's contributions were calculated using the base salary amount of \$284,119. The Housing Authority made the required contributions of \$41,365 for the year ended March 31, 2011, of which \$19,140 was paid by the Housing Authority and \$22,225 was paid by employees. No payments were made out of the forfeiture account.

NOTE 6 - ACCOUNTS PAYABLE The accounts payable at March 31, 2011, is as follows:

<u>Class of Payables</u>	
Vendor	\$ 25,529
Retainage	43,808
Total	<u>\$ 69,337</u>

NOTE 7 - INTERGOVERNMENTAL PAYABLE The intergovernmental payable at March 31, 2011, is as follows:

Payment in Lieu of Taxes	\$8,689
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NOTE 8 - COMPENSATED ABSENCES At March 31, 2011, employees of the Housing Authority have accumulated and vested \$76,277 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance at beginning of year	\$ 72,575
Additions	17,583
Deductions	13,931
Balance at end of year	<u>\$ 76,227</u>
Due within one year	<u>\$ 59,936</u>

Housing Authority of the City of Jennings
Notes to the Basic Financial Statements
March 31, 2011

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Construction Projects There are certain major construction projects in progress at March 31, 2011. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

At the end of the 2011 fiscal year, the Housing Authority was in the process of completing construction contracts of \$438,795 obtained with 2010 Competitive Capital Funds of the ARRA monies, in which a total of \$43,808 remains to be spent on these projects. The Housing Authority also had construction contracts of \$214,000 obtained with 2010 Capital Funds, in which the full amount remains outstanding at fiscal year ended March 31, 2011.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 through March 31, 2011, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 10 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

NOTE 11 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$1,104,707 to the Housing Authority, which represents approximately 73% of the Housing Authority's total revenue for the year.

Housing Authority of the City of Jennings

**ACTUAL CAPITAL FUND
COST CERTIFICATE
March 31, 2011**

1. The actual Capital Fund costs are as follows:

	PROJECT LA48P118501-09
Funds Approved	\$ 267,486
Funds Expended	<u>267,486</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 267,486
Funds Expended	<u>267,486</u>
Excess of Funds Advanced	<u>\$ -</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated November 29, 2010, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

	PROJECT LA48S118501-09
Funds Approved	\$ 347,588
Funds Expended	<u>347,588</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 347,588
Funds Expended	<u>347,588</u>
Excess of Funds Advanced	<u>\$ -</u>

2. The distribution of costs by project as shown on the final schedule of Capital Fund expenditures dated July 21, 2010, accompanying the actual Capital Fund cost certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
3. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the City of Jennings
Financial Data Schedule - Balance Sheet
As of March 31, 2011

Submission Type: Audited/A-133 LA118

	Project Total	14,885 Formula Capital Fund Stimulus Grant	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$85,128	\$0	\$0	\$0	\$85,128		\$85,128
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0		\$0
114 Cash - Tenant Security Deposits	\$27,200	\$0	\$0	\$0	\$27,200		\$27,200
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0		\$0
100 Total Cash	\$112,328	\$0	\$0	\$0	\$112,328	\$0	\$112,328
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$26,675	\$0	\$45,673	\$4,248	\$76,596		\$76,596
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0		\$0
126 Accounts Receivable - Tenants	\$217	\$0	\$0	\$0	\$217		\$217
126.1 Allowance for Doubtful Accounts - Tenants	-\$213	\$0	\$0	\$0	-\$213		-\$213
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0		\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0		\$0
129 Accrued Interest Receivable	\$1,367	\$0	\$0	\$0	\$1,367		\$1,367
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$28,046	\$0	\$45,673	\$4,248	\$77,967	\$0	\$77,967
131 Investments - Unrestricted	\$475,454	\$0	\$0	\$0	\$475,454		\$475,454
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$55,164	\$0	\$0	\$0	\$55,164		\$55,164
143 Inventories	\$3,080	\$0	\$0	\$0	\$3,080		\$3,080
143.1 Allowance for Obsolete Inventories	-\$154	\$0	\$0	\$0	-\$154		-\$154
144 Inter Program Due From	\$56,592	\$0		\$0	\$56,592	-\$56,592	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0		\$0
150 Total Current Assets	\$730,510	\$0	\$45,673	\$4,248	\$780,431	-\$56,592	\$723,839
161 Land	\$130,578	\$0	\$0	\$0	\$130,578		\$130,578
162 Buildings	\$8,226,876	\$0	\$0	\$0	\$8,226,876		\$8,226,876
163 Furniture, Equipment & Machinery - Dwellings	\$89,585	\$0	\$0	\$0	\$89,585		\$89,585
164 Furniture, Equipment & Machinery - Administration	\$166,170	\$0	\$0	\$4,436	\$170,606		\$170,606
165 Leasehold Improvements	\$477,506	\$0	\$0	\$0	\$477,506		\$477,506
166 Accumulated Depreciation	-\$6,460,945	\$0	\$0	-\$2,082	-\$6,463,027		-\$6,463,027
167 Construction in Progress	\$492,831	\$0	\$0	\$0	\$492,831		\$492,831
168 Infrastructure	\$0	\$0	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,122,601	\$0	\$0	\$2,354	\$3,124,955	\$0	\$3,124,955
180 Total Non-Current Assets	\$3,122,601	\$0	\$0	\$2,354	\$3,124,955	\$0	\$3,124,955
190 Total Assets	\$3,853,111	\$0	\$45,673	\$6,602	\$3,905,386	-\$56,592	\$3,848,794

(Continued)

Housing Authority of the City of Jennings
Financial Data Schedule - Balance Sheet
As of March 31, 2011

Submission Type: Audited/A-133 LA118

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.884 Competitive Capital Fund Stimulus Grant	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$67,168	\$0	\$0	\$0	\$67,168		\$67,168
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0		\$0
322 Accrued Compensated Absences - Current Portion	\$59,936	\$0	\$0	\$0	\$59,936		\$59,936
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$8,689	\$0	\$0	\$0	\$8,689		\$8,689
341 Tenant Security Deposits	\$27,200	\$0	\$0	\$0	\$27,200		\$27,200
342 Deferred Revenues	\$21,182	\$0	\$150	\$0	\$21,332		\$21,332
345 Other Current Liabilities	\$2,169	\$0	\$0	\$0	\$2,169		\$2,169
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0		\$0
347 Inter Program - Due To	\$6,521	\$0	\$45,523	\$4,248	\$56,592	-\$56,592	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0		\$0
310 Total Current Liabilities	\$193,165	\$0	\$45,673	\$4,248	\$243,086	-\$56,592	\$186,494
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0		\$0
354 Accrued Compensated Absences - Non Current	\$16,291	\$0	\$0	\$0	\$16,291		\$16,291
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0		\$0
350 Total Non-Current Liabilities	\$16,291	\$0	\$0	\$0	\$16,291	\$0	\$16,291
300 Total Liabilities	\$209,456	\$0	\$45,673	\$4,248	\$259,377	-\$56,592	\$202,785
508.1 Invested in Capital Assets, Net of Related Debt	\$3,122,601	\$0	\$0	\$2,354	\$3,124,955		\$3,124,955
509.2 Fund Balance Reserved							
511.2 Unreserved, Designated Fund Balance							
511.1 Restricted Net Assets	\$0	\$0	\$0	\$0	\$0		\$0
512.1 Unrestricted Net Assets	\$321,054	\$0	\$0	\$0	\$321,054		\$321,054
512.2 Unreserved, Undesignated Fund Balance							
513 Total Equity/Net Assets	\$3,643,655	\$0	\$0	\$2,354	\$3,646,009	\$0	\$3,646,009
600 Total Liabilities and Equity/Net Assets	\$3,853,111	\$0	\$45,673	\$6,602	\$3,905,386	-\$56,592	\$3,848,794

(Continued)

Housing Authority of the City of Jennings
Financial Data Schedule - Income Statement
For the Year Ended March 31, 2011

Submission Type: Audited/A-133 LA118

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.884 Competitive Capital Fund Stimulus Grant	14.870 Resident Opportunity and Supportive Services	Subtotal	ELDM	Total
70300 Net Tenant Rental Revenue	\$374,931	\$0	\$0	\$0	\$374,931		\$374,931
70400 Tenant Revenue - Other	\$9,521	\$0	\$0	\$0	\$9,521		\$9,521
70500 Total Tenant Revenue	\$384,452	\$0	\$0	\$0	\$384,452		\$384,452
70600 HUD PHA Operating Grants	\$256,132	\$1,943	\$12,614	\$78,695	\$349,384		\$349,384
70610 Capital Grants	\$261,919	\$14,609	\$478,795	\$0	\$755,323		\$755,323
70700 Total Fee Revenue							
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$3,743	\$0	\$0	\$0	\$3,743		\$3,743
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0		\$0
71500 Other Revenue	\$28,195	\$0	\$0	\$0	\$28,195		\$28,195
71600 Gain or Loss on Sale of Capital Assets	\$2,385	\$0	\$0	\$0	\$2,385		\$2,385
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0		\$0
70000 Total Revenue	\$936,826	\$16,552	\$491,409	\$78,695	\$1,523,482		\$1,523,482
91100 Administrative Salaries	\$140,527	\$0	\$0	\$0	\$140,527		\$140,527
91200 Auditing Fees	\$13,925	\$0	\$0	\$0	\$13,925		\$13,925
91300 Management Fee	\$0	\$0	\$0	\$0	\$0		\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$3,201	\$0	\$0	\$0	\$3,201		\$3,201
91500 Employee Benefit contributions - Administrative	\$44,267	\$0	\$0	\$0	\$44,267		\$44,267
91600 Office Expenses	\$32,225	\$0	\$0	\$0	\$32,225		\$32,225
91700 Legal Expense	\$0	\$0	\$0	\$0	\$0		\$0
91800 Travel	\$5,993	\$0	\$0	\$0	\$5,993		\$5,993
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0		\$0
91900 Other	\$5,997	\$0	\$0	\$0	\$5,997		\$5,997
91000 Total Operating - Administrative	\$246,135	\$0	\$0	\$0	\$246,135		\$246,135
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0		\$0
92100 Tenant Services - Salaries	\$31,515	\$0	\$0	\$21,807	\$53,322		\$53,322
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$19,024	\$0	\$0	\$12,552	\$31,576		\$31,576
92400 Tenant Services - Other	\$2,617	\$0	\$3,150	\$43,587	\$49,354		\$49,354
92500 Total Tenant Services	\$53,156	\$0	\$3,150	\$77,946	\$134,252		\$134,252

(Continued)

Housing Authority of the City of Jennings
Financial Data Schedule - Income Statement
For the Year Ended March 31, 2011

Submission Type: Audited/A-133 LA118

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.894 Competitive Capital Fund Stimulus Grant	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
93100 Water	\$17,349	\$0	\$0	\$0	\$17,349		\$17,349
93200 Electricity	\$9,974	\$0	\$0	\$0	\$9,974		\$9,974
93300 Gas	\$1,340	\$0	\$0	\$0	\$1,340		\$1,340
93600 Sewer	\$0	\$0	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0		\$0
93000 Total Utilities	\$28,663	\$0	\$0	\$0	\$28,663		\$28,663
94100 Ordinary Maintenance and Operations - Labor	\$86,723	\$0	\$0	\$0	\$86,723		\$86,723
94200 Ordinary Maintenance and Operations - Materials and Other	\$53,830	\$1,943	\$9,464	\$0	\$65,237		\$65,237
94300 Ordinary Maintenance and Operations Contracts	\$75,431				\$75,431		\$75,431
94500 Employee Benefit Contributions - Ordinary Maintenance	\$46,858	\$0	\$0	\$0	\$46,858		\$46,858
94000 Total Maintenance	\$262,842	\$1,943	\$9,464	\$0	\$274,249		\$274,249
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0		\$0
96110 Property Insurance	\$43,259	\$0	\$0	\$0	\$43,259		\$43,259
96120 Liability Insurance	\$11,361	\$0	\$0	\$0	\$11,361		\$11,361
96130 Workmen's Compensation	\$16,244	\$0	\$0	\$0	\$16,244		\$16,244
96140 All Other Insurance	\$6,186	\$0	\$0	\$0	\$6,186		\$6,186
96100 Total insurance Premiums	\$77,050	\$0	\$0	\$0	\$77,050		\$77,050
96200 Other General Expenses	\$0	\$0	\$0	\$0	\$0		\$0
96210 Compensated Absences	\$17,584	\$0	\$0	\$0	\$17,584		\$17,584
96300 Payments in Lieu of Taxes	\$34,754	\$0	\$0	\$0	\$34,754		\$34,754
96400 Bad debt - Tenant Rents	\$1,858	\$0	\$0	\$0	\$1,858		\$1,858
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$54,196	\$0	\$0	\$0	\$54,196		\$54,196
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0		\$0
96900 Total Operating Expenses	\$722,042	\$1,943	\$12,614	\$77,946	\$814,545		\$814,545
97000 Excess of Operating Revenue over Operating Expenses	\$214,784	\$14,609	\$478,795	\$749	\$708,937		\$708,937

(Continued)

Housing Authority of the City of Jennings
Financial Data Schedule - Income Statement
For the Year Ended March 31, 2011

Submission Type: Audited/A-133 LA118

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.884 Competitive Capital Fund Stimulus Grant	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$40,147	\$0	\$0	\$0	\$40,147		\$40,147
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0		\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0		\$0
97400 Depreciation Expense	\$327,636	\$0	\$0	\$887	\$328,523		\$328,523
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0		\$0
90000 Total Expenses	\$1,089,825	\$1,943	\$12,614	\$78,833	\$1,183,215		\$1,183,215
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0		\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$152,999	\$14,609	\$478,795	-\$138	\$340,267		\$340,267
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,303,250	\$0	\$0	\$2,492	\$3,305,742		\$3,305,742
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$493,404	-\$14,609	-\$478,795		\$0		\$0
11190 Unit Months Available	1771	0	0	0	1771		1771
11210 Number of Unit Months Leased	1716	0	0	0	1716		1716
11270 Excess Cash	\$419,839				\$419,839		\$419,839
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$734,787				\$734,787		\$734,787
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$33,094				\$33,094		\$33,094
11650 Leasehold Improvements Purchases	\$7,500				\$7,500		\$7,500
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0

(Concluded)

Housing Authority of the City of Jennings

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
For the Year Ended March 31, 2011**

The members of the Board of Commissioners serve without compensation.

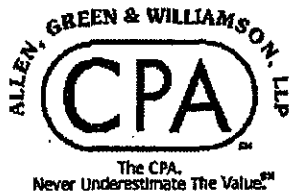
Joe Serrin, Chairman

Donald Francis, Vice Chairman

Allen Achane

Tina Perry

Janet Jones



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(Retired) 1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Housing Authority of the City of Jennings
Jennings, Louisiana

We have audited the financial statements of the Housing Authority of the City of Jennings as of and for the year ended March 31, 2011, and have issued our report thereon dated August 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

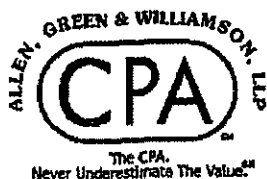
We noted certain matters that we reported to management of the Housing Authority in a separate letter dated August 26, 2011.

This report is intended solely for the information and use of management, the Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 26, 2011



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(Retired) 1963 - 2006

Report on Compliance With Requirements That Could Have A Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Jennings
Jennings, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Jennings with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended March 31, 2011. The Housing Authority's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2011.

Internal Control Over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
August 26, 2011

**Housing Authority of the City of Jennings
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2011**

FEDERAL GRANTOR/ PASS -THROUGH GRANTOR/PROGRAM NAME	CFDA NUMBER	GRANT ID NUMBER	PROGRAM EXPENDITURES
U. S. DEPT. OF HOUSING AND URBAN DEVELOPMENT			
DIRECT PROGRAMS			
Low Rent Public Housing	14.850	LA118-00564211D LA118-00564210D	\$ 247,087
Capital Fund Cluster:			
Capital Fund Program	14.872	LA48P118501-09, LA48P118501-10	270,963
Competitive Capital Fund Stimulus Grant	14.884	LA11800564209R	491,409
Formula Capital Fund Stimulus Grant	14.885	LA48S118501-09	16,552
Total Capital Fund Cluster			<u>778,924</u>
Resident Opportunity and Support Services	14.870	LA118REL055A007	<u>78,696</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS (U.S. DEPT OF HUD)			\$ <u>1,104,707</u>

Housing Authority of the City of Jennings
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2011

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Jennings, Jennings, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Federal Sources</u>
Enterprise funds:	
Governmental operating grants	\$ 349,384
Capital contributions	<u>755,323</u>
Total	<u>\$1,104,707</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. The entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the City of Jennings
Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2011**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings, which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal program is:

Capital Fund Cluster:

Capital Fund Program	CFDA# 14.872
Competitive Capital Fund Stimulus Grant	CFDA# 14.884
Formula Capital Fund Stimulus Grant	CFDA# 14.885
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

Housing Authority of the City of Jennings

OTHER INFORMATION

**Housing Authority of the City of Jennings
Summary Schedule of Prior Year Audit Findings
March 31, 2011**

Reference # and title: **10-F1** **Waiting List**

Date of Origination: This finding originated fiscal year ended March 31, 2010.

Federal program and specific federal award identification: This finding relates to the Public and Indian Housing program, CFDA #14.850 for Federal Award Year 2010 received from Federal Agency: Department of Housing and Urban Development.

Condition: Applicants on the waiting list should be selected in order of their position on the waiting list. Applicants high on the waiting list should be offered the opportunity to move in before applicants lower on the waiting list than them.

Also, all move-ins should be selected from the waiting list, unless there is a documented reason showing why they were chosen ahead of others.

The waiting list should be purged on an annual basis. This serves to clear out old applicants, who have not responded or are no longer interested in the services offered by the Housing Authority.

The Housing Authority does not print out waiting list on a monthly basis nor were there any printed waiting list for the audited year; therefore it was undetermined if the Housing Authority is adding applicants to the waiting list according to their policy as well undetermined if applicants were being selected in the correct order.

Corrective action planned: See current management letter item 11-M2.

Reference # and title: **10-F2** **HUD Report 60002**

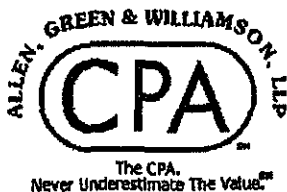
Date of Origination: This finding originated fiscal year ended March 31, 2009.

Federal program & specific federal award identification: This finding relates to the Public and Indian Housing, CFDA #14.850, for Federal Award Year 2010 received from Federal Agency: Department of Housing and Urban Development.

Condition: Under special reporting requirements 24 CFR sections 135.3 (a) and 135.90, HUD requires each Public and Indian Housing grant that is involved in development, operating, or modernization assistance to submit HUD form 60002 relating to Section 3 economic opportunities for low- and very low- income persons.

It was noted that the HUD form 60002 for the Public Housing program was not completed correctly. The Housing Authority spent money on non-construction contracts in which according to their documentation included funds for Section 3 individuals; however, the report submitted to HUD did not reflect this information.

Corrective action taken: The Housing Authority ensured that the information on the HUD form 60002 was accurate and complete before submitting the form. This finding is considered cleared.



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(Retired) 1963 - 2000

Management Letter

The Board of Directors
Housing Authority of The City of Jennings
Jennings, Louisiana

In planning and performing our audit of the financial statements of the Housing Authority of the City of Jennings as of and for the year ended March 31, 2011, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during the performance of our procedures, we noted a certain matter involving the internal control that is presented for your consideration. This letter does not affect our report dated August 26, 2011 on the financial statements of the Housing Authority. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response are summarized as follows:

11-M1 **Approval of Adjustments to Tenant Accounts**

Comment: In testing of rent collections and tenant receivables, it was noted that adjustments to tenant accounts are made without review or written approval.

Recommendation: Any adjustments to tenant receivables should be reviewed and approved by an individual not involved in the collection or posting of rent payments. The Executive Director should review and sign off on all adjustments made to tenant receivables.

Management's response: The Executive Director will review and sign off on all adjustments made to tenant receivables.

11-M2 **Waiting List for Low Rent Program**

Comment: The Housing Authority maintained a manual waiting list; however based on the presentation of the waiting list, the auditor was unable to test adequately.

Recommendation: The Housing Authority should print the waiting list from the TenMast program at least monthly, in order for the application selection process to be adequately tested.

Management's response: Housing Authority staff will print the waiting list from the TenMast program at least monthly.

* * * *

Also included are management's responses to our current-year management letter item. We have performed no audit work to verify the content of the response.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP
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Monroe, LA
August 26, 2011